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January 2026

Special Report on Dublin City Schools

What We Found

Our examination of the Dublin City School System (the School District) identified purchases that raised concerns about potential waste and abuse of public funds, along with weaknesses in staffing and compensation practices. While the use of temporary COVID funds to support ongoing personnel and operating expenses masked these problems for years, the issues ultimately resulted from absent or weak expenditure controls and deficient budget processes.

Specifically, we noted the following deficiencies:

- *Potential Waste and Abuse –* Numerous expenditures raised concerns about the appropriate use of public funds. These types of expenditures reflect a pattern of poor oversight and lack of controls designed to safeguard taxpayer dollars and promote fiscal responsibility.
- *Overstaffing –* The School District employed roughly twice as many staff members funded through local and federal funds when compared to their peer systems. As a result, the School District has employed substantially more staff than earned under the state funding formula based on their student count and certified personnel information.
- *Excess Personnel Costs –* The School District expended more on salaries and salary supplements than its peers. The School District's controls do not ensure compensation is appropriate relative to peer school systems and that supplemental pay amounts are consistent and reasonable.
- *Use of Temporary Funds for Ongoing Expenditures –* The School District used temporary COVID funds to support ongoing personnel and operating expenditures and did not appropriately plan or budget for the expiration of these funds. This practice temporarily masked pre-existing budget deficits and contributed to the reemergence in subsequent fiscal years.

The causes of these problems were identified as:

- *Weak and/or Absent Expenditure Controls –* The School District lacked adequate internal controls over the expenditure process, including sufficient pre-approval procedures, attention to budget alerts, and oversight of credit card usage.
- *Deficient Budget Development Processes –* Budget assumptions were not supported by evidence or properly reconciled, resulting in significant variances and the presentation of inaccurate financial projections to the Board of Education.

Why We Performed This Examination

This special examination was requested by the House Appropriation Committee Chair. Specifically, we were asked to: identify the root causes of the School District's financial crisis; assess fiscal controls, reporting accuracy, and compliance with state requirements; and recommend corrective measures to restore solvency and safeguard state and local taxpayer funds.

This report is intended to provide the requested information, and the findings and recommendations are designed to support improved accountability and enhance decision-making.

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Finding 1: Potential Waste and Abuse

Observation: Our review of General Fund expenditures from FY 2021 through FY 2025 identified various instances of questionable or excessive spending that suggests potential waste and abuse of public funds. These expenditures lacked documented justification, did not align with the educational mission of the School District, and often exceeded what would be considered reasonable or necessary for a school system of this size.

Specifically, examples of concerning expenditures include:

- Incurring costs for out-of-town leadership retreats that included activities unrelated to educational objectives and permitted family member participation at the School District's expense.
- Payments to a local florist with no supporting documentation to justify the business purpose.
- Late or insufficient IRS payroll tax payments that resulted in the incurrence of penalties and interest.
- Travel expenditures that lacked sufficient evidence of alignment to instructional goals or School District needs.

In addition, a review of credit card activity indicated potential waste or abuse as the business purpose for many charges was not readily apparent. The volume and frequency of credit card use by School District leadership was abnormally high compared to similar school districts, which further heightened the risk of inappropriate or nonessential spending.

Furthermore, we observed that funds were transferred to the High School from the Central Office accounts without any supporting documentation indicating how funds were spent or whether they were used for allowable purposes.

Finally, the School District entered into an agreement and is obligated to pay approximately $300,000 annually through the year 2037 for solar panels intended to decrease utility spending. However, the School District has not verified that the solar panels are currently operational, whether anticipated energy cost savings are being achieved, or if required maintenance has been performed.

These types of expenditures are not consistent with best practices for public sector spending and may undermine public trust in the School District's ability to manage funds appropriately.

Recommendations:

The School District should ensure that all expenditures are related to instructional goals and School District needs by performing the following:

1. Strengthen internal controls over procurement processes to ensure that all expenditures are necessary, reasonable, and aligned with the School District's mission and budget priorities. This should include defining what is considered discretionary spending, documenting approval expectations, and performing regular monitoring of such expenditures.
2. Establish spending thresholds and pre-approval procedures for all expenditures, including credit card transactions. These thresholds and pre-approval procedures should be incorporated into the School District's formal purchasing policy.

3. Require documentation for all fund transfers, including justification, approval, and a clear description of how the transferred funds will be used. For school-level transfers, the Central Office should ensure accountability by requiring post-expenditure reporting or receipts before additional funds are issued.
4. Verify that the solar panels are operational, that anticipated energy cost savings are being achieved, and that required maintenance is performed as outlined in the agreement. Management should also periodically evaluate the cost-effectiveness of the arrangement to ensure ongoing payments remain in the School District's best interest.

Finding 2: Overstaffing

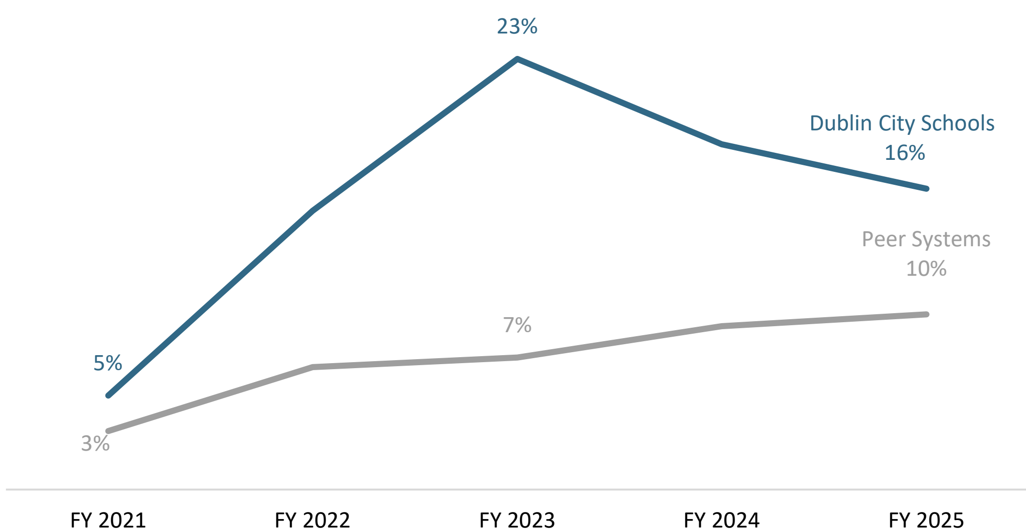
Observation: The School District's staffing levels and position responsibilities do not align with its size and operational needs. The School District has employed substantially more staff than earned under the State of Georgia's Quality Basic Education (QBE) funding formula based on their Full-Time Equivalent (FTE) student count and certified personnel instruction (CPI) submissions. From FY 2021 to FY 2025, the School District employed roughly twice as many staff members funded through local and federal funds, when compared to their peer systems (see list of peer systems in Appendix A: Scope and Methodology).

State funds are allotted to local school systems based upon the QBE formula. QBE allotments reflect amounts paid for various instructional programs, indirect costs, etc., and include allotment amounts for both salary and operating expenses. While it is not improper for a school system to fund positions using non-QBE sources, such as locally funded instructional coaches, school resource officers, or additional support staff, school district management should ensure that these positions are strategically aligned with operational needs and remain financially sustainable over time.

The earned staff positions from QBE Midterm reports[1] were compared to the number of teachers and administrators reported in the March CPI submission for each fiscal year from FY 2021 to FY 2025. Over this period, the School District averaged 16%, or 35 staff members, funded from non-QBE sources while comparable school systems averaged 7%, or 15 staff members, funded from non-QBE sources.

Exhibit 1 presents the percentage of teachers and administrators funded through non-QBE sources for FY 2021 to FY 2025 for the School District as compared to their peer systems.

Exhibit 1
The School District Has a Higher Percentage of Staff Members Funded through Non-QBE Sources than Peer Systems



Source: Comparison of CPI and QBE funds per the Georgia Department of Education

[1] While QBE earnings also include other instructional support roles (e.g., technology specialists, secretaries, accountant, etc.), the teacher and administrator group represents the majority of positions earned and therefore provides a reasonable basis for comparison.

Our analysis of activity from FY 2021 to FY 2025 also identified that the School District has not actively managed its staffing to ensure efficient deployment of resources. As shown in Exhibit 2, the School District was likely overstaffed in several key administrative positions including business/finance director, maintenance director, and public relations personnel as compared to peer school systems.

Exhibit 2
The School District Was Likely Overstaffed in Key Administrative Positions

Position	Dublin City Schools	Comparable School Districts	Likely Overstaffed Positions	Years of Observed Overstaffing
Accountant (CFO or Finance Director)	2	1	1	2021 - 2024
Maintenance/Plant Director	2	1	1	2023 - 2025
Public Relations Personnel	2	0	2	2022 - 2025

Source: Salary and Travel submissions, interviews with Dublin City Schools employees, operational review, and industry experience

Recommendations:

The School District should ensure that its staffing levels and position responsibilities align with its size and needs by performing the following actions:

1. Conduct a comprehensive staffing review to align FTE levels with comparable school districts. This review should benchmark staffing ratios against peer school districts of similar size, demographics, and funding levels. The analysis should identify areas where staffing levels exceed or fall below reasonable benchmarks and recommend adjustments to achieve optimal staffing alignment and cost-effectiveness
2. Evaluate all Central Office and school-based roles to identify overlapping duties, redundant functions, or unnecessary layers of management. This process should include a review of organizational charts, job descriptions, and functional workflows to ensure that roles are clearly defined and that personnel resources are allocated efficiently across departments and schools. Where feasible, merge or eliminate duplicative positions to streamline operations, clarify lines of responsibility, and reduce administrative overhead.
3. Implement FTE-based budgeting and staffing controls to prevent future overstaffing at both the school and Central Office levels. Regularly monitor and reconcile staffing data against budgeted positions and ensure justification and approval are obtained for any staffing increases outside the annual budget process.

Finding 3: Excess Personnel Costs

Observation: The School District expended more on salaries and salary supplements than its peers over the five-year period under review. The School District's controls do not ensure compensation is appropriate relative to peer school systems and that supplemental pay amounts are consistent and reasonable.

As an example, the School District expended an average of approximately $3.9 million more on salaries than its peers across multiple key categories and employee types in FY 2024. As reflected in Exhibit 3, the School District's average salaries were compared to the average salaries reported by peer school systems. In almost every category, the School District's average salaries were higher.

Exhibit 3

The School District's Average Salaries by Category and Employee Type Were Higher Than Peer Systems for FY 2024

Category	Employee Type	Dublin City Average	Peer Systems Average	Dublin City Over/(Under) Peers
Administrative / Central Office	Superintendent	$236,971	$175,521	$61,450
	Directors	1,406,730	784,183	622,547
	Finance/Business	650,171	435,493	214,678
	Public Relations	201,776	-	201,776
	Total Administrative / Central Office	**2,495,648**	**1,395,197**	**1,100,451**
Instructional Staff	Teachers	12,373,534	10,698,350	1,675,184
	Paraprofessionals	1,210,283	772,340	437,943
	Other Instructional Personnel	3,826,631	3,898,246	(71,615)
	Total Instructional Staff	**17,410,448**	**15,368,936**	**2,041,512**
Operational Services	Maintenance	768,241	444,074	324,167
	Food Service	870,653	614,909	255,744
	Nurses	342,930	168,202	174,728
	Total Operational Services	**1,981,824**	**1,227,185**	**754,639**
Total		**$21,887,920**	**$17,991,318**	**$3,896,602**

Source: FY 2024 Salary and Travel data submitted to the Georgia Department of Audits and Accounts

Our review also identified excessive salary supplements that contributed to the excess personnel costs as follows:

- **Extended Day and Year:** Our review of the School District's extended day and extended year supplement expenditures found that the School District paid more than three times what peer school systems paid for extended day supplements and more than double what peer school systems paid for extended year supplements. School districts offer salary supplements to teachers and administrators for time worked over an eight-hour day (extended day)[2], or for days worked beyond the regular 190-day contract period (extended year).[3] Extended day and extended year supplements are typically provided to staff based on student need and budget availability.

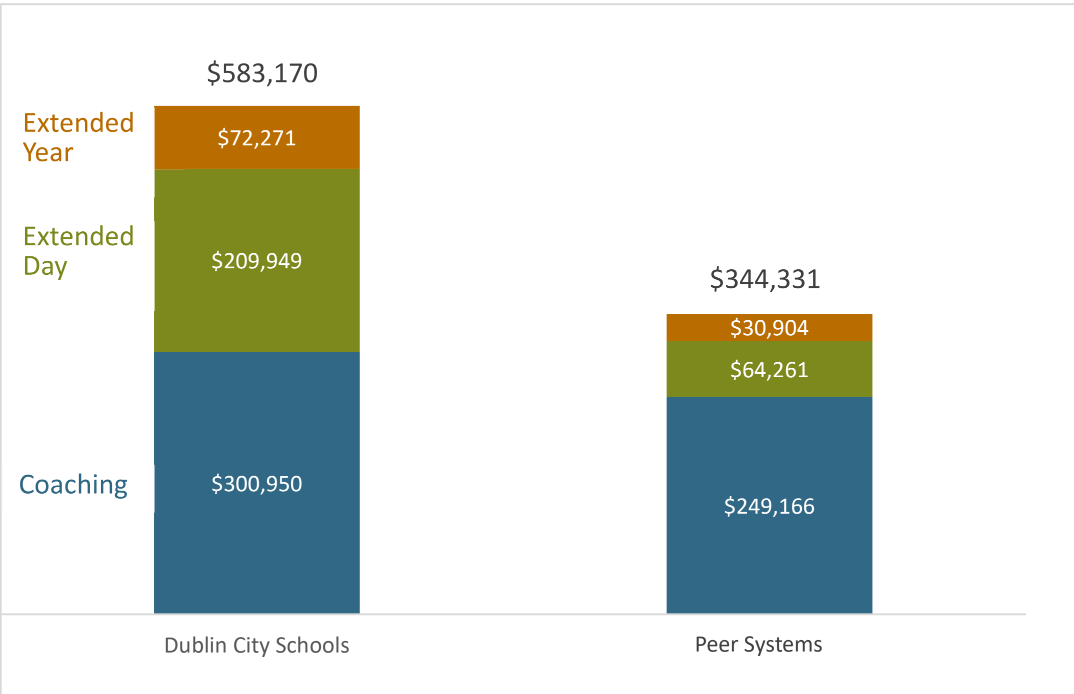
[2] The Georgia Department of Education Chart of Accounts defines extended day as "salaries for a maximum of one hour in addition to the eight-hour work day for teachers to provide students with supplementary services."

[3] The Georgia Department of Education Chart of Accounts defines extended year as "additional time worked beyond the regular 190-day contract period."

- **Coaching:** Our review found the School District's coaching supplements, which are provided to school district employees for additional time spent performing coaching duties, were approximately 21% higher than the average paid within peer systems in FY 2024.

Exhibit 4 reflects the average amounts paid in FY 2024 for extended day, extended year, and coaching supplements by the School District as compared to the average amounts paid by peer school systems.

Exhibit 4
The School District's Salary Supplements Paid Were Higher Than Peer Systems in FY 2024



Source: General ledger data obtained from each school system's accounting software system

Finally, the School District does not have policies and procedures for determining supplement amounts for personnel. During FY 2021 to FY 2025, a single employee was responsible for setting supplement amounts for all staff, with limited to no review. The School District's internally approved supplement schedule included excessively broad ranges, and a review of FY 2024 salary calculations revealed inconsistent supplement amounts across similar positions with no apparent rationale or explanation.

Recommendations:

The School District should ensure that salary amounts are consistent and reasonable by performing the following:

1. Develop and adopt comprehensive written policies and procedures governing all aspects of employee compensation, including base pay, supplements, stipends, bonuses, and pay adjustments. These policies should define criteria for determining and modifying salaries, outline approval authorities, and specify documentation requirements to ensure transparency and consistency.

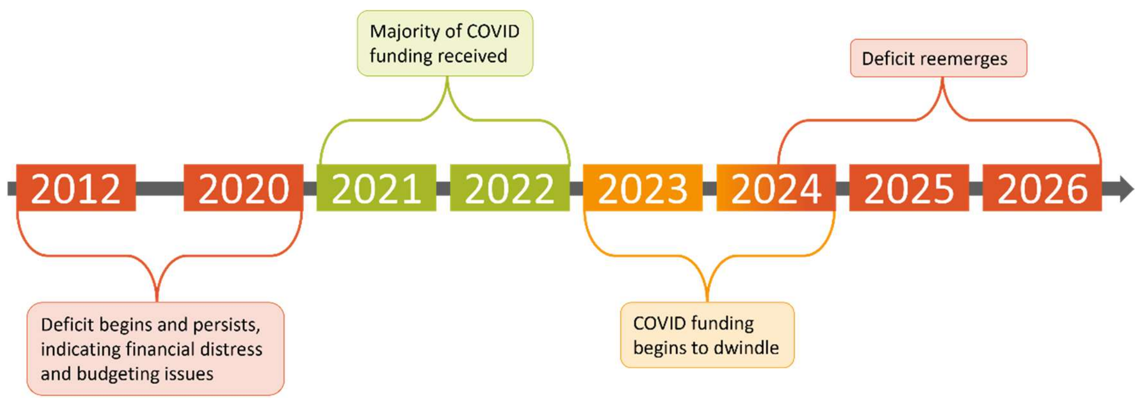
2. Conduct a comparative compensation analysis using data from school districts of similar size and geographic location to determine appropriate salary and supplement levels. Identify positions or pay categories where compensation exceeds market benchmarks without justification. Use the results of this benchmarking study to modify pay structures, adjust excessive supplements, and ensure that total compensation remains fair and financially sustainable.

Finding 4: Use of Temporary Funds for Ongoing Expenditures

Observation: The School District used temporary COVID funds to pay for ongoing personnel and operating expenditures and did not appropriately plan or budget for the expiration of these funds. This practice temporarily masked pre-existing budget deficits and contributed to the reemergence in subsequent fiscal years.

The Elementary and Secondary School Emergency Relief (ESSER) Fund was created to address the impact of COVID-19 on elementary and secondary schools nationwide. ESSER funds totaling over $19.7 million were allocated to the School District beginning in FY 2020 and expended through FY 2025. A history of the budget issues and the receipt of ESSER funding is shown by fiscal year in Exhibit 5 below:

Exhibit 5
Timeline of Budget Deficits and COVID Funding



Source: Audit reports and general ledger data obtained from the School District's accounting software system

As noted in Exhibit 6 below, over $14 million in salaries and benefits expenditures were funded with ESSER monies. A review of general ledger and payroll activity for the period of FY 2020 to FY 2025 revealed that the School District did not necessarily hire new staff with ESSER funding; rather, the funds were used to cover personnel expenses for existing staff. Journal entries were posted within the general ledger in both FY 2020 and FY 2021 to reclassify salaries and/or benefits originally paid from other funding sources to the ESSER Fund. However, in FY 2022 and FY 2023, the payroll system initially recorded the majority of salaries and benefits for 55 and 40 employees, respectively, directly in the ESSER Fund.

Once nearly all ESSER funding had been fully expended at the end of FY 2023, the School District did not appropriately include these previously-existing salaries and benefits in the FY 2024 General Fund budget to be paid with state and local funding sources. This omission caused significant over-expenditures in the General Fund as compared to budgeted expenditures. See additional details regarding this matter in *Finding 6: Budgeting Deficiencies*.

Exhibit 6 provides a summary of the School District's ESSER Fund expenditures from FY 2020 to FY 2025.

Exhibit 6
Most of the ESSER Funds Were Used for Salaries and Benefits

Expenditure	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Salaries & Benefits	$1,294,426	$4,714,026	$4,786,483	$3,208,830	$26,557	$ -
Supplies & Services	-	344,461	2,202,680	725,053	-	45,606
Indirect Costs	65,626	712,324	1,033,544	585,091	-	-
Total	**$1,360,052**	**$5,770,811**	**$8,022,707**	**$4,518,974**	**$26,557**	**$45,606**

Source: General ledger data obtained from the School District's accounting software system.

Recommendations:

While ESSER funds are no longer available, the School District should implement measures to prevent reliance on temporary or one-time funding sources to support ongoing or permanent positions. If temporary or one-time funding were received in the future, the School District should:

1. Establish a transition plan that identifies which positions or programs were funded with temporary funds.
2. Evaluate the continued necessity of each position or program previously supported with temporary funds.
3. Determine funding strategies for absorbing ongoing costs into the General Fund or other permanent funding sources to ensure sustainability and avoid future over-expenditures.

Finding 5: Weak and/or Absent Expenditure Controls

Observation: The School District lacked adequate internal controls over the expenditure process, including sufficient pre-approval procedures, attention to budget alerts, and oversight of credit card usage. These weaknesses underscore the need for strengthened oversight by both management and the Board of Education to ensure fiscal accountability and responsible stewardship of public funds.

The School District does not have sufficient internal controls in place to ensure expenditures are properly authorized, supported, and monitored prior to being incurred. During our review, we noted that expenditures were routinely made without documented pre-approval. The Central Office lacked a formal process to verify or authorize expenses before funds were obligated, which led to inconsistent oversight and weak accountability over how public funds were spent.

In addition, although the financial accounting system generates alerts when budget lines are exceeded, the School District continued to process expenditures without taking corrective action in response to these warnings. Furthermore, no formal budget adjustments were made to align spending with available appropriations, which resulted in overspending.

We also noted significant issues related to the use of School District credit cards. Charges were frequently made without documented approval, and many transactions lacked receipts or explanations supporting the business purpose of the expense. There was no centralized process to monitor or reconcile these charges, nor any policy requiring justification before card usage.

Recommendations:
The School District should implement a comprehensive internal control framework over its expenditure process to ensure accountability, compliance with policy, and proper stewardship of public funds. At a minimum, the following actions should be taken:

1. Implement a formal pre-approval process for all expenditures, including purchases made by the Central Office and at individual schools. Expenditures should not be incurred without documented approval by an authorized official, and this approval should be retained with the supporting documentation.
2. Establish procedures requiring timely review and response to budget alerts generated by the financial system. If expenditures are expected to exceed available budgets, appropriate budget amendments should be made prior to processing the transaction, or documentation should be maintained to support management's rationale.
3. Develop and enforce a credit card policy that includes documented pre-authorization of purchases, mandatory receipts for all transactions, clear descriptions of business purpose, and centralized monthly reconciliation and review by someone independent of the cardholder(s).
4. Provide training to Central Office and school staff on the proper procedures for initiating, approving, and documenting expenditures to ensure consistent understanding and application of policies across all departments.

Finding 6: Budgeting Deficiencies

Observation: The School District's budget development and monitoring processes lack adequate documentation, analytical support, and accuracy. This represents a failure of sound financial stewardship, as it limits management's ability to identify fiscal problems and ensure responsible use of state and local funds.

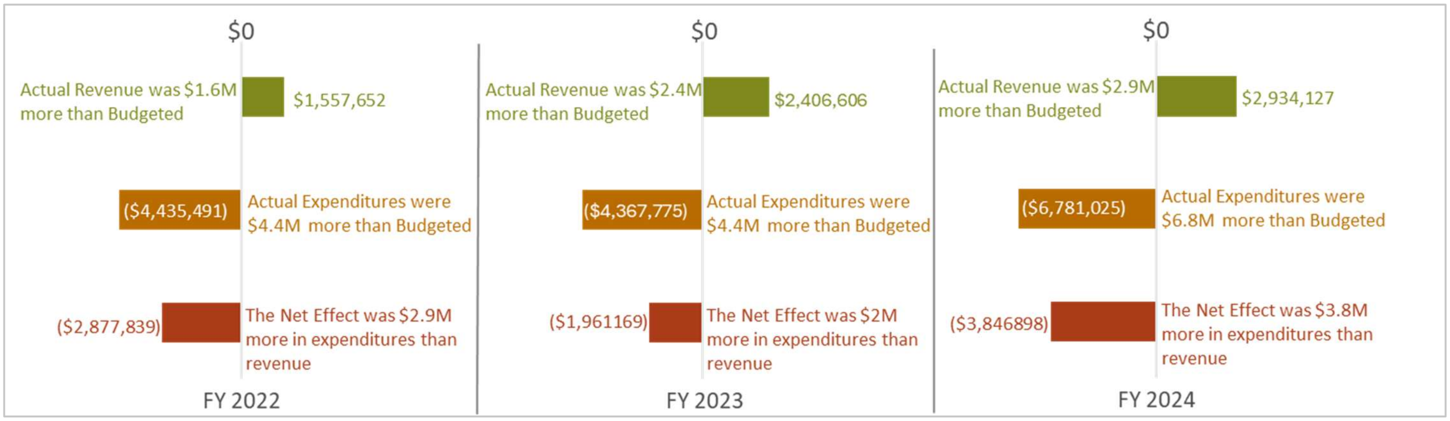
Our review of the budget development process revealed that budget assumptions were not supported by evidence or reconciled to known personnel and benefit obligations, resulting in significant variances and the presentation of misleading financial projections to the Board of Education. Original budgets lacked documentation supporting and describing the development methodology used. There was also no clear reconciliation or rationale provided for the year-over-year budget increases or decreases by expenditure function and object. Additionally, the supporting documentation maintained on file did not consistently agree by function to the budget summaries presented to the Board of Education for approval.

Specifically, on May 8, 2023, the Board of Education approved an amended FY 2023 budget increasing expenditures by $2.2 million and converting an initial $0.3 million surplus into a $0.5 million deficit. Subsequently, the actual FY 2023 expenditures exceeded the amended budget total by an additional $2.2 million. These adjustments occurred with only 53 days remaining in the fiscal year, an indicator of poor budget monitoring. The majority of the variance related to salaries and benefits, which constitute the largest portion of expenditures and should be predictable based on salary schedules and contracts.

In addition, the initial FY 2024 budget projected a $849,000 deficit while actual expenditures exceeded budgeted amounts by nearly $5 million. While the FY 2023 budget included $4.3 million in temporary COVID funds, primarily for operational staff positions, the related expenditures were not appropriately transitioned back into the FY 2024 General Fund budget, causing significant over-expenditures. Furthermore, the FY 2024 budget omitted $1.3 million in expected increases in State Health Benefit Plan (SHBP) costs, despite rate increases being published and communicated prior to budget adoption.

Exhibit 7 highlights the significant differences between budgeted amounts and actual amounts recognized on the general ledger for FY 2022 to FY 2025.

Exhibit 7
Budget-to-Actual Variances for Revenues, Expenditures, and Net Effect



Source: Budget approved by the Board of Education and general ledger data obtained from the School District's accounting software system

Recommendations:

The School District should develop a formal budgeting process by performing the following:

1. Use the financial accounting system to accurately incorporate salaries and benefits costs. This includes maintaining up-to-date payroll data, verifying benefit rate calculations, and reconciling budgeted amounts to actual costs each fiscal year.
2. Incorporate multi-year projections for salaries, benefits, and operational costs. Projections should estimate the impact of salary adjustments, benefit rate changes, enrollment trends, and inflation.
3. Maintain analytical support and documentation of assumptions utilized in budget development. This support should include documenting all key assumptions, methodologies, and data sources used in budget development and should be retained to ensure transparency and allow for review and replication of budget estimates.
4. Develop a deficit reduction strategy, including measurable and attainable goals and a timeline for recovery. Progress toward deficit reduction objectives should be regularly monitored and reported to the Board of Education to ensure continued accountability and adjustments as needed.
5. Provide board member training on effective budget review and oversight, including review of the financial statements, understanding of significant revenue and expenditure activity, and evaluation of budget-to-actual performance.

Appendix A: Scope and Methodology

The scope of this examination focused on identifying the causes and contributing factors of the School District's current budget deficit. Our objective was to understand the financial practices, controls, and decisions that contributed to the deficit and to provide insights and recommendations for improving fiscal management and accountability. This report is intended to provide information for the School District, policymakers, and the public regarding fiscal stewardship and operational practices following a September 12, 2025, letter from State School Superintendent Richard Woods expressing concerns around the School District's financial position, including:

- Projected cash flow shortages of $11.8 million by December 31, 2025, and $13.4 million by June 30, 2026;
- Budget deficits approaching the School District's full annual QBE allotment of approximately $16 million; and
- Absence of an adequate deficit reduction plan or a balanced budget pathway for FY 2027.

Methodology: Our procedures included –

- Reviewing budget documents, prior-period audit reports, payroll records, expenditure records, general ledger activity, and board minutes;
- Interviewing board members, key management, and finance personnel to understand policies, practices, and decision-making processes; and
- Performing analytical procedures, including but not limited to prior-year to current-year activity, peer school system trends, variance analysis, trend analysis, budget-to-actual results, and reasonableness testing to identify unusual patterns or expenditures.

Peer School Systems: Bleckley County, Brooks County, Meriwether County, and City of Vidalia Boards of Education, selected for their similar size and operational characteristics to Dublin City Schools.

Nature of Review: This examination does not constitute an audit or attestation engagement conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Limitations: Limitations of our testing included –

- The examination focused primarily on General Fund activity for FY 2021 through FY 2025, as it represents the majority of budgeted operations. Other funds were reviewed as necessary to support conclusions regarding the budget deficit.
- We relied on the accuracy and completeness of information provided by the School District. We did not independently verify all underlying transactions. Conclusions are based on the records, documentation, and interviews available during the fieldwork period.
- Findings are based on available documentation, interviews, and analytical procedures conducted during the fieldwork period.